



Union Of Arab Securities Authorities Strategic Plan 2016 - 2020



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About the Union of Arab Securities Authorities



Established in 2007, the Union of Arab Securities Authorities (UASA henceforth) is not a profit entity with an independent legal status. The United Arab Emirates is the headquarters of the Union. The Members of the Union are Arab Securities Authorities and markets Regulators.

The UASA aims to improve the legislative and regulatory framework of Arab securities markets with a view to achieving fairness, efficiency and transparency. It also seeks to unify efforts towards achieving effective levels of oversight over transactions in the Arab securities markets and to ensure coordination and cooperation among members to achieve maximum harmony and consistency with regard to relevant laws and regulations applicable in the Member States. The Union also aims to overcome difficulties facing investment in the Arab securities markets, and to expand the investment base, diversify its tools and promote the culture of investing in these markets. Promoting the concepts of disclosure, transparency and governance, in addition to the application of best international standards and practices, are also important objectives of the UASA.





Preamble



In an effort to implement its work plan for 2015, the board of the Union of Arab Securities Authorities decided to form an Interim Committee⁽¹⁾ to prepare the strategic plan 2016-2020. This has emanated from the firm belief that this plan will help identify the priorities of the Union work during the next five years as well as the ultimate ways to achieve them. Such a plan will ensure that the strategy adopted by the Union will eventually serve the best interests of the Union's members.

In accordance with its statute, the Union aims to attain the highest degree of cooperation and coordination between its members so as to reach the highest standards of efficiency and safety of transactions in the Arab Capital Markets. This requires exchange of information, technical assistance and expertise to develop these markets and establish effective regulatory rules. It also calls upon the members to make concerted efforts so as to reach effective levels of control over these markets. This too requires upgrading the legislative and regulatory level in the Arab Capital Markets to achieve fairness, efficiency and transparency. The Union aims also to overcome difficulties facing investment in the Arab securities markets, and to expand the investment base, diversify its tools and promote the culture of investing in these markets.

Any strategic plan set by the Union should reflect its basic objectives and as well as the objectives and concerns of its members. In order to capture the views of the Union members, the Committee decided in its first meeting to prepare a questionnaire so as to identify the main local and international challenges facing the Arab Capital Markets, define the role of the Union in dealing with these challenges, and the Union objectives for the next five years and how they will be implemented. The questionnaire also aimed at soliciting members' views on the scope of the Union activities and their assessment of its performance. The response rate to the questionnaire was good as 13 out of 15 authorities members have responded and their views represented an important element in identifying the strategic priorities for the next period. (The full results of the questionnaire can be found in the Annex attached.)

The responses to the questionnaire have shown that the majority of the regulators agree on the challenges that will face the Arab Capital Markets over the next five years, and the role of the Union in addressing these challenges. The main challenges are: (i) meeting the main requirements that would make members' work in line with the principles, standards and best international practices; (ii) strengthening the regulatory and legislative capabilities; (iii) developing the capabilities of personnel; (iv) improving awareness and creating investor education programs; (v) training the staff on new regulatory skills; (vi) updating Capital Market legislations; and (vii) enforcing and monitoring compliance with corporate governance.

(1) The Interim Committee is composed of Mr. / Mohammed Ahmed Al Nokhadha - Securities and Commodities Authority - UAE, Mr. / Khalid Bin Abdul Aziz Al-Humoud – The Capital Market Authority KSA, Mr. / Abdullah bin Salim al-Rubaie – The Capital Markets Authority – Oman, Dr. / Saade Chami - Capital Markets Authority – Lebanon, and Mr. / Saeed Arafa - Egyptian Financial Supervisory Authority - Egypt. The Committee held its first meeting on 10/09/2015, during the meeting, the Secretary General of the UASA, Mr. Jalil Tarif, presented the objectives and responsibilities of the committee, and the general framework of the strategic plan. The Committee members chose unanimously Dr. Saade Chami as the Chair of the committee.



These challenges also include improving cooperation with other regulators and supporting their efforts to join the International Organization of Securities Commissions IOSCO.

In sum, the members of the Union have submitted a set of useful proposals related to the objectives that the Union must consider as a top priority, and can be summarized as follows:

- a. Investor education and awareness
- b. Capacity building and upgrading of the professional level of the regulatory bodies
- c. Cooperation between members regarding the exchange of information, technical assistance, and expertise
- d. Provision of technical assistance in the area of Capital Markets regulation and creating a unified database
- e. Achieving harmony and consistency related to laws and regulations and improving the legislative and regulatory frameworks of the Arab capital markets
- f. Strengthening the role of the Union in international organizations
- g. Implementing the relevant international standards, including those of the IOSCO.

The Main Pillars of the Strategic Plan

In identifying the main pillars of the strategic plan 2016-2020, the Interim Committee has taken into account the most important challenges and needs of the Arab Capital Markets and the factors that affect their performance, as well as the views of the Union members as expressed in their response to the questionnaire. Based on the survey results and analysis, the strategic issues have been limited to five main pillars:

- 1. Strengthening cooperation and communication between the Union members**
- 2. Enhancing the UASA international role and activities**
- 3. Achieving harmony and consistency in regulations of the Union members**
- 4. Capacity Building**
- 5. Investor Education and Awareness**

Before discussing these pillars, we would like to highlight the main guiding principles adopted by the Interim Committee in preparing this strategy, namely:

First: Focus on a specific number of basic pillars rather than diluting efforts on many pillars that may not be achieved.

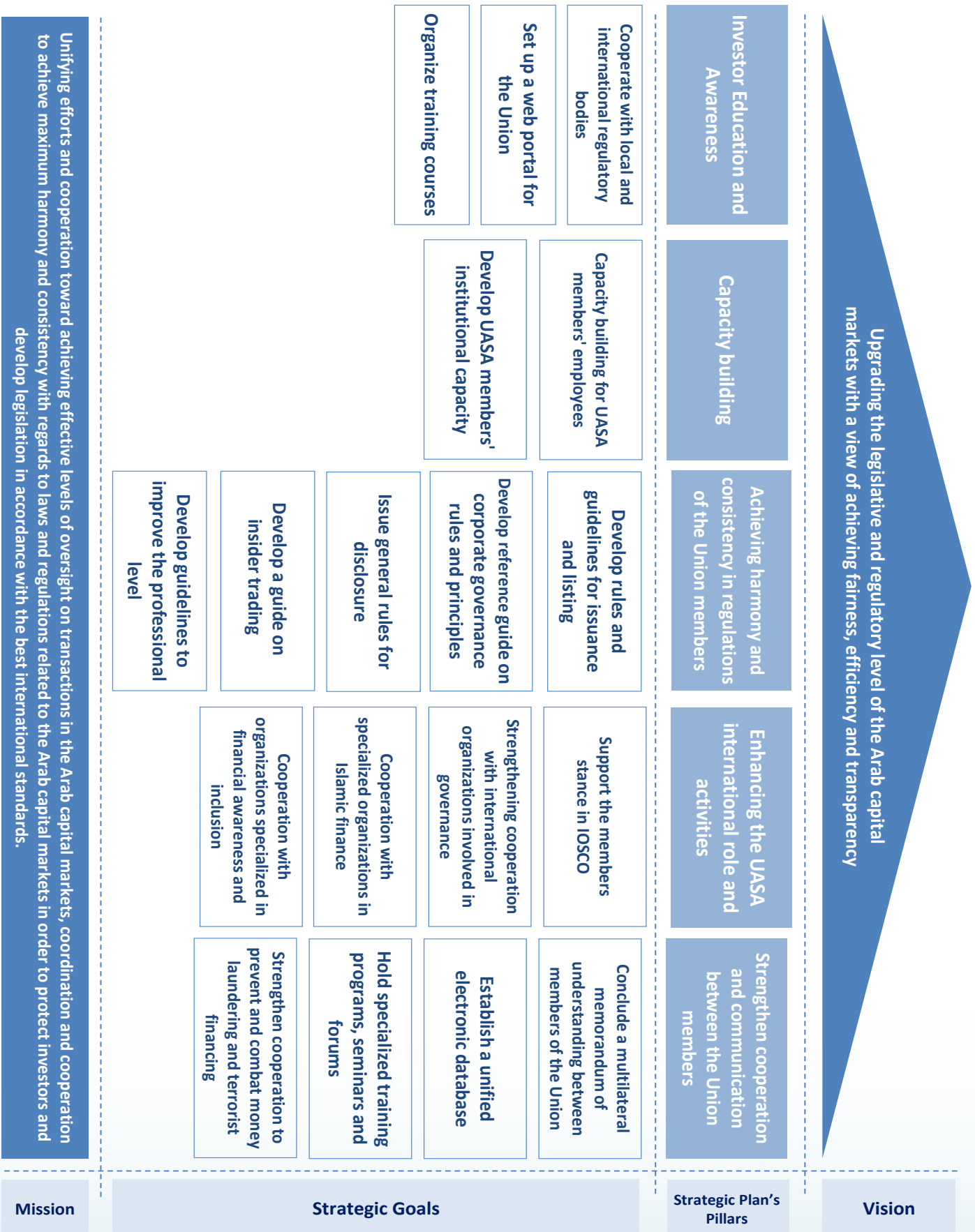
Second: Set clear objectives for each pillar, objectives that are achievable yet ambitious enough to pose a challenge to the Union.

Third: Link each objective to a number of measures within a clear action plan to be achieved within a specific time frame, and ensure that the impact of the measures on the overall strategic plan could be evaluated.

Fourth: Highlight the challenges that might hinder the implementation of objectives of each pillar and how to deal with them so they can be taken into account during implementation.



Upgrading the legislative and regulatory level of the Arab capital markets with a view of achieving fairness, efficiency and transparency



First Pillar

**Strengthening Cooperation
and Communication among
the Union Members**



Strengthening Cooperation and Communication among the Union Members

The primary purpose of the Union is to promote coordination and cooperation among its members to achieve maximum harmony in regulations of the Union's members. In this respect, the Union aims to enhance the efficiency and safety standards of transactions in the Arab capital markets and to expand activities by adopting best international standards. It is then normal to consider that such cooperation should be a major pillar in the strategic plan for the next five years. Enhancing this cooperation would contribute to investor protection by reducing systemic risks, maintaining the stability of capital markets and promoting the exchange of information in order to take the necessary actions against any fraudulent activities in the capital markets.

1st Pillar's Strategic Objectives: Strengthen Cooperation and Communication among the Union Members



Objective 1.1 Conclude a multilateral MoU among the Union members

A memorandum of understanding between members of the Union should facilitate and enhance cooperation and coordination in various areas, and achieve greater harmony in members' standing regarding different capital markets issues and strengthen cooperation with International bodies especially the IOSCO. Such memorandum also provides a mechanism that would allow the Union members to exchange all relevant information, particularly those related to fraudulent activities investigations in one country that may have impact on, or are correlated with, fraud operations in another country, while respecting the applicable rules and regulations of each country.



Action Plan						
Initiatives		2016	2017	2018	2019	2020
1	Prepare a draft MoU, share it with the UASA board, and then distribute it to the Union members for comments and feedback	•	•			
2	Signature of the MoU		•			
3	Put the MoU in effect			•	•	•
4	Evaluate the impact of the MoU and whether it needs any amendment				•	•

Objective 1.2 Establish a unified electronic database for studies and research carried out by the UASA members

This initiative aims to consolidate efforts of, and raise the level of cooperation and partnership among, the Union members. Since research constitutes one of the most important elements in the development of capital markets, they should be organized and made available to all, so as to save time and effort and make the decision making process more effective and based on solid ground. This initiative requires the compilation, classification and collection of research papers and statistical data in different jurisdictions, and consolidate them in one electronic database easily accessible to Union's member.

Action Plan						
Initiatives		2016	2017	2018	2019	2020
1	Compile and classify research papers, , studies and data carried out by the Member StatesUASA members	•	•			
2	Build the electronic database and link it to the UASA website of the Secretariat of the Union through a portal		•	•		
3	Update the database on an ongoing basis				•	•



Objective 1.3: Hold specialized training programs, seminars and forums in coordination with the Union's members

The main purpose of this initiative is to increase communication and coordination between Members through holding forums on various and priority topics related to capital markets under the supervision of the General Secretariat of the Union and the patronage of the Members. Topics could cover issues related to all aspects of financial instruments and developments in international capital markets. It is recommended that these topics cover also subjects related to the pillars of this strategy in order to improve its implementation, and address any problems that may arise in the process. The Union will attempt to invite local and international speakers with practical and hands-on experience in the financial sector and business sectors so as to enrich members' knowledge and expertise.

Of course this objective is inextricably related to capacity building and investor awareness objectives (to be discussed later). However, the focus here is related to the transfer of knowledge and improvement of communication between the Union members.

Action Plan						
Initiatives		2016	2017	2018	2019	2020
1	Identify hosting members, timetable and topics of specialized forums, training programs, workshops and seminars.	•	•	•	•	
2	Post the programs of the forums, workshops and seminars on the Union and Member' websites	•	•	•	•	
3	Develop the content and programs of the forums, workshops and seminars in collaboration with the committees in charge of supervising the other pillars of the Strategic plan	•	•	•	•	
4	Organize and implement the agreed programs	•	•	•	•	•
5	Evaluate the effectiveness of the programs			•		•

Objective 1.4: Strengthen cooperation to prevent and combat money laundering and terrorism financing

The world is witnessing major changes in regulations and measures related to combatting money laundering and terrorism financing with countries attempting to apply the International Standards in this regard. However the risks of money laundering and terrorism financing generally differ between countries due to differences in their circumstances, and in their legislative and oversight frameworks. In this context, cooperation between the Arab regulators is of particular importance, in light of the current regional and international situation.



Action Plan						
Initiatives		2016	2017	2018	2019	2020
1	Develop a framework of Cooperation regarding the exchange of financial information related to money laundering and terrorism financing. (Such a framework could be part of the MoU between Union's members)	•	•			
2	Cooperate with the most important regional and international organizations in this field such as the Middle East and North Africa Financial Action Task Force to combat money laundering and terrorism financing, the Egmont Group of Financial Intelligence Units and others		•	•		
3	Organize a number of awareness seminars and workshops on the international methodologies and standards in the field of combating money laundering and terrorism financing				•	•

Challenges of the First Pillar

Challenges		Ways to overcome challenges
1	Cost for the organization of forums and training sessions seminars	- Share the costs of these activities with the Union members - Find sponsors to fund events Impose notional participation fees
2	Lack of speakers from the Union Members to conduct seminars in the allotted time	Early coordination with the management of Union Members to provide speakers
3	Lack of studies and research papers, and insufficient resources to conduct research	Enhance the role of the research departments, and improve its cooperation with international organizations, universities and relevant research institutes
4	Divergence in national legislations such as regulations related to money laundering and terrorism financing	Cooperate to use the best international standards and practices

Second Pillar

**Enhancing the UASA
international role and activities**



Enhancing the UASA international role and activities

The UASA will cooperate with Arab and international organizations and associations concerned with capital markets with a view to achieving harmonization of the UASA members' stance in the international arena. This is one of the UASA objectives that has been emphasized by members during the preparation of the UASA strategic plan 2016-2020. The UASA will endeavor to expand, develop and strengthen its relations with regional and international organizations to benefit from their experience and expertise and to keep up with the latest developments in the capital markets. It is noteworthy that the objectives of this pillar overlap with some of the objectives of other pillars, particularly those related to corporate governance and investor education.

2nd Pillar's Strategic Objectives: Enhancing the UASA international role and activities



Objective 2.1: Support the members stance in IOSCO

The International Organization of Securities Commissions (IOSCO) is the global standard setter for the securities market. Supporting UASA members with IOSCO should be beneficial given IOSCO international experience in developing capital markets and in setting oversight standards. The UASA members will also benefit from the cooperation and exchange of information provided by the IOSCO's Multilateral Memorandum of Understanding "MMoU".



Action Plan						
Initiatives		2016	2017	2018	2019	2020
1	Continue efforts to adopt the Arabic language as an official language by IOSCO; the UASA General Secretariat will ensure that the translation is of good quality by reviewing it in collaboration with UASA members.	•	•	•	•	•
2	Assist UASA members who are Non-IOSCO members to join IOSCO.	•	•	•	•	•
3	Communicate and coordinate with non-signatories UASA members to sign the IOSCO MmoU.	•	•	•	•	•

Objective 2.2: Strengthening cooperation with international organizations involved in governance

The adoption by companies working in capital markets of the principles of good governance, according to international standards, is becoming increasingly important for attracting investment. The Organization for Economic Cooperation and Development "OECD" and the International Finance Corporation "IFC" are the most prominent international organizations in this area. Therefore, cooperation with these institutions in this field will be of great benefit to the UASA members and their capital markets in general.

Action Plan						
Initiatives		2016	2017	2018	2019	2020
1	Coordinate with the UASA members about their needs and requirements, particularly with regard to governance and how can the OECD provide assistance in this regard	•	•			
2	Cooperate with the "IFC" and the "OECD" through holding training workshops on governance in the UASA member countries		•	•	•	



Objective 2.3: Cooperation with specialized organizations in Islamic finance

The Islamic finance industry has grown rapidly both internationally and regionally, and became an important activity in capital markets especially in Asia and the Middle East. The issuance of, and investment in, “Sukuks” continues to rise sharply and is expected to continue this trend especially in Arab countries. In view of this, the UASA attaches a particular importance to this issue. To this end, the UASA will cooperate closely with leading regional and international bodies working in this area, such as the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Cooperation (COMCEC) and the Islamic Financial Services Board (IFSB), in order to apply the principles and standards of Islamic finance in the context of the Strategic Plan.

Action Plan						
Initiatives		2016	2017	2018	2019	2020
1	Coordinate with the Organization of Islamic Cooperation, in particular the Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation (COMCEC) through holding workshops and organizing special training programs on Islamic finance for the Union members.	•	•	•	•	•
2	Collaborate with the Islamic Financial Services Board to apply the principles and standards of Islamic finance		•	•	•	•

Objective 2.4: Cooperation with organizations specialized in financial awareness and inclusion

Financial inclusion has become increasingly important in recent years, as it contributes to improved access to financing sources and financial services which would enhance economic growth and stability, as well as social justice. Through this objective, the UASA aims to promote financial inclusion in Arab countries in view of the significant need to develop strategies that would achieve the most comprehensive economic growth needed to address the unemployment challenge, and improve social justice.



Action Plan						
Initiatives		2016	2017	2018	2019	2020
1	Open communication channels with the Alliance for Financial Inclusion (AFI)	•				
2	Conduct training programs in member countries jointly with the Arab, regional and international institutions		•	•		
3	Provide a database of the UASA members national strategies related to financial inclusion, as well as the most prominent international strategies and studies in this field		•	•	•	

Challenges of the Second Pillar

Challenges		Ways to overcome challenges
1	Size of tasks and the time spent on collecting and compiling the data related to the strategies of financial inclusion	Intensify cooperation and coordination efforts with members in this regard and form a working group to accomplish this task
2	The readiness and commitment of members to join the IOSCO or to sign the MMoU	Intensify cooperation and coordination efforts with members in this regard and form a working group to accomplish this task
3	The time needed for the application of Islamic finance standards and the uncertainty regarding the time required for strengthening cooperation between members and international institutions	<ul style="list-style-type: none"> - Classify the Union members according to well defined criteria and according to their specific needs - Benefit from the experiences of some members and international institutions in this area - Intensify communication with international institutions and members of the Union to agree on a realistic timeframe

Third Pillar

**Achieve harmony and consistency
in regulations of the Union's Members**

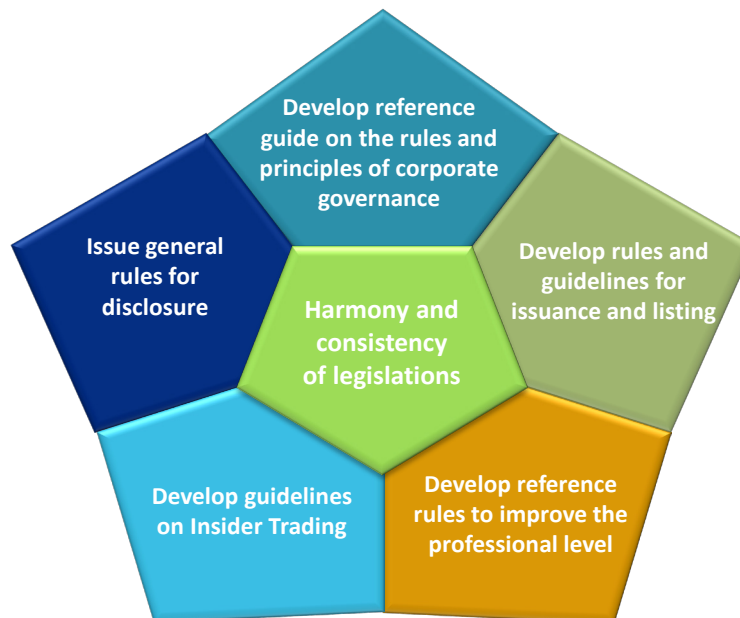


Achieve harmony and consistency in regulations of the Union's Members

Improving the legislative and regulatory framework of the Capital Markets is one of the main objectives of the UASA. In this context, the Union aims to achieve greater harmony and consistency with regard to pertinent laws and regulations, including through joint cooperation and coordination among its members.

The Union will work on some strategic objectives including the development of a number of rules related to issuance and listing, a reference guide on corporate governance, general rules for disclosure, a guide on anti-money laundering and terrorist financing, and rules that would limit insider trading in particular with regard to related parties transactions.

3rd Pillar's Strategic Objectives: Achieve harmony and consistency in regulations of the Union's Members



Objective 3.1 Develop rules and guidelines for issuance and listing

This objective can be reached by developing general reference rules and guidelines to achieve greater harmony and consistency with regard to pertinent legislations and regulations of the Union's members. These guidelines will serve as the basis for member countries in preparing their own legislations and regulations, or amending existing ones taking into account their own legal setting and legislative frameworks.



Action Plan						
Initiatives		2016	2017	2018	2019	2020
1	Prepare a database of all pertinent legislations and regulations, and make it accessible to the Union's members	•	•			
2	Develop issuance and listing rules and principles for the Union's members			•	•	
3	Establish general rules on listing and trading of foreign institutions in the Arab capital markets			•		
4	Follow-up by the UASA Secretariat on the implementation of the rules and principles in the Member States, and report back to the Union's Board.				•	•

Objective 3.2 Develop reference guide on the rules and principles of corporate governance

The implementation of the rules and principles of corporate governance is important for protecting shareholders' rights especially the rights of minority shareholders, achieving sustainability, reducing risk and avoiding conflict of interest. Corporate governance is closely correlated with the level of transparency in the capital markets and it has a positive impact on international investors' decisions to enter the local markets. In other words, the implementation of the rules and principles of corporate governance that are in line with best international principles and standards reinforces trust and transparency in these markets.

Action Plan						
Initiatives		2016	2017	2018	2019	2020
1	Compile members' initiatives and make them available to all Union's members	•				
2	Establish general guidelines of corporate governance in line with international standards		•			
3	Follow up on implementation and respond to members' observations and inquiries			•	•	•
4	Hold practical training courses for employees of the Union's members on corporate governance reference guide: Implementation and compliance methods	•		•		•



Objective 3.3 Issue general rules for disclosure

Disclosure is one of the most important ingredients of transparency in capital markets, as it helps reinforce confidence of local and international investors, enables them to make proper investment decisions, and reduces the risk of manipulation and unfair practices. Disclosure would enhance the level of efficiency of capital markets and make them (and the listed companies in these markets) more attractive to investors. It would also facilitate and improve control and supervision of these markets and thereby ensure investors protection. It is then imperative to promote the culture of disclosure, enhance awareness among securities issuers and stakeholders, and emphasize the importance of compliance with disclosure provisions and their responsibilities in this regard.

Action Plan						
Initiatives		2016	2017	2018	2019	2020
1	Prepare a survey on disclosure rules in the Union members	•				
2	Establish general rules and requirements for the disclosure regulations based on best International standards and practices		•			
3	Hold training courses for the Union's members employees on disclosure			•		•
4	Follow up on the implementation of disclosure's rules and address members' observations and comments				•	•

Objective 3.4 Develop guidelines on Insider Trading

Insider trading monitoring is one of the most important aspects for promoting transparency and fairness in the capital markets. It is also considered one of the key responsibilities of companies' boards and regulatory bodies, so as to prevent the misuse of inside information and protect the investors rights, especially the minority shareholders.

Action Plan						
Initiatives		2016	2017	2018	2019	2020
1	Prepare a database of all legislations and regulations related to insider trading in UASA members	•				
2	Issue general rules/models for insider trading in accordance with the best International standards and practices		•	•		



Action Plan						
Initiatives		2016	2017	2018	2019	2020
3	Organize awareness seminars on insider trading			•	•	•
4	Follow up on the implementation of the insider trading general rules and address members observations and queries				•	•

Objective 3.5 Develop guidelines to improve the professional level of companies and other entities working in the Arab capital markets

Improving the professional level of companies and entities related to the Arab capital markets is an important challenge facing the Union's members and all related parties in developing capital markets. This objective should be given special attention given its importance for raising markets' efficiency and protecting stakeholders' rights. The importance of this objective came out clearly in the results of the questionnaire.

It is worth mentioning that the requirements and legislations imposed on companies (whether in terms of licensing or operating in the markets) vary between countries. The Union can play a role in this regard by promoting coordination and experience sharing among members, whereby the experience of members with good organizational experience can be transferred to other members and hence this could allow institutions licensed to operate in one market to operate in other markets.

Action Plan						
Initiatives		2016	2017	2018	2019	2020
1	Compile the rules of licensing and registration and make them available to the Union's members	•	•			
2	Develop guidelines for the minimum requirements to be met by institutions to operate in the Arab capital markets		•	•		
3	Design and hold courses and workshops to cover best practices that licensed institutions should comply with		•	•		
4	Follow up on the implementation of these initiatives				•	•



Challenges of the third Pillar

Challenges		Ways to overcome challenges
1	Size of tasks and time spent on collecting and classifying the laws and regulations of the Union's member	Intensify cooperation and coordination efforts with members in this regard and form a working group to accomplish this task
2	The readiness and commitment of members to implement the initiatives in this pillar (legislative framework, infrastructure ...)	Intensify cooperation and coordination efforts with members in this regard and form a working group to accomplish this task



Fourth Pillar

Capacity Building



Capacity Building

The success of any institution is primarily linked to the efficiency of its human and administrative resources. Given the generally limited human capital in the region compared to developed countries, and the challenges imposed by developments in the international capital markets that require enhancing the efficiency of local resources, developing the skills of employees in the Arab regulatory bodies is one of the Union's first priorities. In this respect, the focus over the next five years will be on enforcement, risk management and governance, given their importance in creating an attractive investment environment and in protection individual investors.

Capacity-building is a continuous process of acquiring knowledge, developing individual employees' skills and building institutional capacity. It will improve the efficiency of the institution and help it achieve its goals and enhance the competitive advantage of Capital Markets in the member states.

4th Pillar's Strategic Objectives: Capacity Building



Objective 4.1 Capacity Building for the employees of the UASA members while focusing on risk management, enforcement and governance

The Interim Committee in its deliberations attached utmost importance to capacity building given its urgency for the Union's members, as confirmed by the results of the questionnaire. Building employees' capacity would allow the regulators to play their role in the most efficient manner and to curb fraudulent practices that would affect investors and capital markets and could result significant losses. It would also enable employees in the Arab capital markets to deal with risks that could lead to crises, such as the financial crisis of 2008.

The member states of the Union give priority to training that would fill existing gaps and reduce discrepancies between these countries, given the positive impact of training on the efficiency and effectiveness of the regulators.



The Union has a number of regulatory bodies that have excellent human resources, with good performance and comparative advantage in some areas. As such, the Union will work hard to take advantage of existing expertise and share it with the other authorities through mutual visits and secondments provided that participants in such programs abide by the existing rules and procedures as well respect the confidentiality of some information in the host countries. In addition, the Union could benefit from the expertise (unavailable in the member states) of International Institutions in this regard.

Action Plan						
Initiatives		2016	2017	2018	2019	2020
1	Conduct a survey on the needs for technical assistance and identify local or international entities that have the required expertise to meet these needs	•	•			
2	Design training programs, including online training and workshops that cover important areas in capital markets, mainly enforcement, risk management and governance as well as other specialized programs in collaboration with relevant international institutions		•	•		
3	Hold these training programs and evaluate their effectiveness			•	•	•
4	Set rules for professional development leaves and secondment between members of the Union		•	•	•	•
5	Consolidate relations with IOSCO by conducting various activities related to the regulatory aspects of the capital markets	•	•	•	•	•

Objective 4.2 Develop Institutional Capacity of the Union's members

Developing human resources is not in and by itself sufficient to enhance the effectiveness of the regulatory bodies unless it is associated with institutional development. Therefore, the Union will work with the members to develop an action plan to put in place proper mechanisms for an organized and periodic review of the level of regulators' management efficiency and effectiveness, and to keep abreast of technological developments in the relevant areas. In this context, the Union will take advantage of existing expertise within the Union's members as well as within relevant international institutions that could help improve the work of the members, following an identification of their strengths and weaknesses.



In this context, the Union will work on strengthening cooperation with international organizations, notably the International Organization of Securities Commissions IOSCO by developing joint training programs and participating in specialized training provided by these organizations.

Action Plan						
Initiatives		2016	2017	2018	2019	2020
1	Identify and cooperate with the relevant authorities concerned with technology relevant to capital markets with the possibility of benefiting from special discount		•	•		
2	Exchange experiences that encourage the adoption of best practices and standards in capital markets		•	•	•	•
3	Develop guidelines for government entities on internal governance and risk management			•		

Challenges of the fourth Pillar

Challenges		Ways to overcome challenges
1	Lack of full-time members of the working group responsible for capacity building and divergent needs among Members	<ul style="list-style-type: none">- Plan in advance the working group meetings. Members should facilitate the work of their representatives in the committee- Classify members of the Union according to their specific strengths and needs
2	Developing human and technical resources is time consuming and there is uncertainty regarding the time required for cooperation between members and international institutions	<ul style="list-style-type: none">- Classify the Union members according to well defined criteria related to their specific needs- Benefit from the experiences of some Member States and international institutions in this area- Intensify communication with international institutions and members of the Union to agree on a realistic timeframe
3	Lack of necessary financial resources to implement all these initiatives	<ul style="list-style-type: none">- Prepare a comprehensive financial study in cooperation with the Members



Fifth Pillar

Investors Education and Awareness



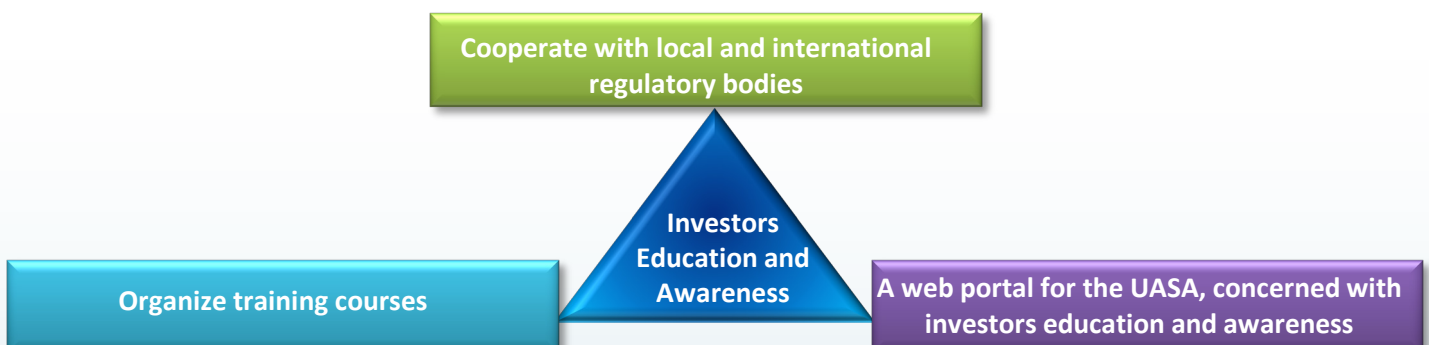
Investors Education and Awareness

The need for improving investor education, awareness, and financial literacy become increasingly important given the development in, and sophistication of, capital markets and the continued innovation in investment products, which have become very complex to be easily understood even by financially knowledgeable and experienced individuals. Therefore, investor education is one of the Union's priorities and a main pillar of the strategic plan for the coming period. It would enable individual investors to understand and evaluate the available options, and make them less prone to fraud they may face in the capital markets.

Investor education helps not only to protect investors, but it also contributes to the development of capital markets by enhancing investors' confidence as it complements the work on regulations, supervision and enforcement. Some regulators have used investor education as an important means to increase participation in the capital markets. Normally, regulators play a key role in investor education and in raising investor awareness. However, both public and private sectors could also play a supporting role in this regard. Studies (Oliver Wyman, IOSCO) have shown that investor education may not necessarily lead to better investment decisions. Nonetheless, IOSCO and other government and international bodies such as the European Commission have expressed their full support for the education of investors to enable them to take appropriate investment decisions complementing the role of regulatory and supervisory bodies in protecting investors .

Generally, investor education has three main objectives: improve investor decision-making, promote the participation of investors in the market, and protect investors through increasing their awareness.

5th Pillar's Strategic Objectives: Investors Education and Awareness





Objective 5.1 Set up a web portal for the UASA, concerned with investors education and awareness

Raising awareness and education of investors in Arab countries, especially those with limited resources, is of particular importance as it enhances investment culture and market efficiency. The Union could play a significant role in this context by setting up a web portal that includes investors' awareness and education initiatives by the Union and its members.

Action Plan						
Initiatives		2016	2017	2018	2019	2020
1	Hire a specialized company to design and build a web portal	•	•	•		
2	Collect and prepare the content of the web portal	•	•	•		
3	Launch the web portal			•		

Objective 5.2 Organize training courses related to investor education and awareness

Investing in securities requires knowledge and familiarity with investment rules. Normally small investors who lack the necessary knowledge and awareness of the intricacies of investment in capital markets are often exposed to several risks that they cannot bear. Such knowledge cannot be acquired through experience only, but there is a need for specialized training programs—one of the objectives of the strategic plan.

Action Plan						
Initiatives		2016	2017	2018	2019	2020
1	Conduct a survey for the UASA members to determine the needs and available resources in member countries in the field of investor education and Awareness	•	•			
2	Hold specialized training programs on investor education and awareness	•	•	•	•	•



Objective 5.3 Cooperate with local and international regulatory bodies in the field of investor education and awareness

There is a need to cooperate with relevant local and international regulatory bodies in developing and providing financial education and financial literacy due to the limited resources in the Union and its members. Establishing forums for the exchange of information and experience would also be very useful.

Action Plan						
Initiatives		2016	2017	2018	2019	2020
1	Ensure effective partnership with the regulators in the Union's members to form a team to manage investor education initiatives	•				
2	Organize seminars and training programs in cooperation with relevant international institutions such as IOSCO, International Forum for Investors' Education, International Network for Financial Education, a subsidiary of the Organization for Economic Co-operation and Development OECD			•	•	•
3	Review and evaluate				•	•

Challenges of the fifth Pillar

Challenges		Ways to overcome challenges
1	Lack of sufficient resources in the Union members and possible lack of cooperation with other official and private agencies to meet the needs	Cooperation with Union members to provide the necessary support to accomplish the required tasks
2	The difficulty of accessing information and identifying the needs of different groups	Classification of target groups according to well defined criteria to identify the specific needs of each category and benefit from international expertise in this area
3	The time needed for the preparation of publications and educational materials	Provision of the needed logistical support by the Union members
4	The difficulty of measuring the effect of educational programs on the quality of investors and investment so that it can be reviewed and modified	Coordination with the Union members by evaluating the educational programs in each member state and cooperating with the competent institutions



Implementation and Financing the Strategic Plan



Implementation and Financing the Strategic Plan

The Union of Arab Securities Authorities seeks to promote economic development and integration of Arab economies through achieving maximum harmony and consistency with regards to laws and regulations related to the Arab capital markets including through improving existing legislations and regulations. The objective is to achieve fairness, efficiency, and transparency and to facilitate cooperation and communication between the Union members. The Union aims also to building capacity and promoting common listing and offering in the Arab markets, and to improve investment decision by spreading awareness (through investor education) in member countries.

In order to achieve the above-mentioned objectives, it is important to identify the proper implementation and financing mechanisms, in light of the limited financial and human resources available in the Union. When preparing the strategic plan, the Interim Committee took into account the nature of the Union's work and objectives as well as the human and financial resources, so as to have an ambitious, yet achievable plan. As mentioned previously, the Committee has focused on a specific number of pillars to reflect the views of the Union members and its own views, and on clear and time bound objectives taking into consideration available resources.

However, this does not mean that the execution and success of the plan is an easy task, but it does require a number of key elements, most notably:

1. Collaboration of the Union members and their approval of the strategic plan so that they can contribute to its success. In particular, the Plan requires a lot of cooperation and responsiveness in view of the volume of information that the Union may request as part of the questionnaires and surveys that are required for the implementation of the four pillars. The role of the Union members here resides in providing the necessary information and responding as soon as possible to the requests of the Union.
2. Formation of different working groups (one group for each pillar) for the implementation of the four basic pillars for the strategic plan. These working groups should oversee, follow-up and help in the implementation of the pillars objectives. This again requires members of the Union to cooperate and nominate participants in the working groups that have the necessary qualifications, and cover any financial burden that may result from such participation.
3. Formation of the Executive Committee to supervise the working groups and ensure the proper implementation of the plan. The formation of this Committee is stipulated by the Internal Bylaw of the Union. The working groups should submit their periodic reports



(bi-annually) to the Executive Committee, which should give necessary guidance and instructions to ensure the success of the plan and then communicate the report issued by the Committee to the Union's Council at its annual meeting so that proper decisions would be taken and necessary modification can be done in light of any emerging changes.

4. Funding for the implementation of the strategic plan is, as it is clear from the Plan's pillars, primarily the responsibility of the members of the Union through providing human resources and bearing travel costs (if necessary) as well as the time needed to provide information and fill out questionnaires as requested by the Union. It is expected that these costs would be limited as the Union will resort to electronic communication (e-mail, conference calls, video calls, etc..) for consultation between members of each team in order to reduce the cost of transportation and meetings.

Nonetheless, part of the cost will be borne by the Union, as it will play the role of coordinator and prepare the questionnaires and surveys, and create a web portal on the Union website. This would require additional human resources (at least two additional staff). There will also be a need to reconsider the objectives of the Union in light of those of the strategic plan and in view of developments in the capital markets. In this context, the Union will work to get additional financial resources through imposing fees on participants in training courses organized by the Union, expanding Union membership, and possibly reconsidering the Union membership fees.

It is difficult to determine the total cost of implementing the strategic plan with any precision, but according to some preliminary estimates, it may reach about half a million US dollar over 5 years. These costs will cover the recruitment of two new employees (80 thousand dollars per year), the upgrade of e-infrastructure and other additional expenses (20 thousand dollars per year). Of course, this in addition to the cost that will be borne by the union members related to the formation of working groups in charge of implementing the plan, as mentioned.

The successful implementation of the strategic plan will contribute to strengthening the Union and Member States position at the international level and in particular with relevant international organizations, such as IOSCO. This will benefit all members in terms of improving the work of the authorities and broadening and deepening the capital markets by creating an attractive environment for investment. The successful implementation of the Union strategic plan is a testament to the success of each member and the expected cost is modest compared to the potential benefit.

Annex I

Summary of the Strategic Objectives



1st Pillar: Strengthen Cooperation and Communication among the Union Members						
Objective 1.1 Conclude a multilateral MoU among the Union members						
Initiatives		2016	2017	2018	2019	2020
1	Prepare a draft MoU, share it with the UASA board, and then distribute it to the Union members for comments and feedback	•	•			
2	Signature of the MoU		•			
3	Put the MoU in effect			•	•	•
4	Evaluate the impact of the MoU and whether it needs any amendment				•	•
Objective 1.2 Establish a unified electronic database for studies and research carried out by the UASA members						
Initiatives		2016	2017	2018	2019	2020
1	Compile and classify research papers, , studies and data carried out by the Member States UASA members	•	•			
2	Build the electronic database and link it to the UASA website of the Secretariat of the Union through a portal		•	•		
3	Update the database on an ongoing basis				•	•
Objective 1.3: Hold specialized training programs, seminars and forums in coordination with the Union's members						
Initiatives		2016	2017	2018	2019	2020
1	Identify hosting members, timetable and topics of specialized forums, training programs, workshops and seminars.	•	•	•	•	
2	Post the programs of the forums, workshops and seminars on the Union and Member' websites	•	•	•	•	
3	Develop the content and programs of the forums, workshops and seminars in collaboration with the committees in charge of supervising the other pillars of the Strategic plan	•	•	•	•	
4	Organize and implement the agreed programs	•	•	•	•	•
5	Evaluate the effectiveness of the programs			•		•



Objective 1.4: Strengthen cooperation to prevent and combat money laundering and terrorism financing						
Initiatives		2016	2017	2018	2019	2020
1	Develop a framework of Cooperation regarding the exchange of financial information related to money laundering and terrorism financing. (Such a framework could be part of the MoU between Union's members)	•	•			
2	Cooperate with the most important regional and international organizations in this field such as the Middle East and North Africa Financial Action Task Force to combat money laundering and terrorism financing, the Egmont Group of Financial Intelligence Units and others		•	•		
3	Organize a number of awareness seminars and workshops on the international methodologies and standards in the field of combating money laundering and terrorism financing				•	•
2nd Pillar's: Enhancing the UASA international role and activities						
Objective 2.1: Develop rules and guidelines for issuance and listing						
Initiatives		2016	2017	2018	2019	2020
1	Continue efforts to adopt the Arabic language as an official language by IOSCO; the UASA General Secretariat will ensure that the translation is of good quality by reviewing it in collaboration with UASA members.	•	•	•	•	•
2	Assist UASA members who are Non-IOSCO members to join IOSCO.	•	•	•	•	•
3	Communicate and coordinate with non-signatories UASA members to sign the IOSCO MmoU.	•	•	•	•	•
Objective 2.2 Develop reference guide on the rules and principles of corporate governance						
Initiatives		2016	2017	2018	2019	2020
1	Coordinate with the UASA members about their needs and requirements, particularly with regard to governance and how can the OECD provide assistance in this regard	•	•			
2	Cooperate with the "IFC" and the "OECD" through holding training workshops on governance in the UASA member countries		•	•	•	



Objective 2.3: Cooperation with specialized organizations in Islamic finance						
Initiatives		2016	2017	2018	2019	2020
1	Coordinate with the Organization of Islamic Cooperation, in particular the Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation (COMCEC) through holding workshops and organizing special training programs on Islamic finance for the Union members.	•	•	•	•	•
2	Collaborate with the Islamic Financial Services Board to apply the principles and standards of Islamic finance		•	•	•	•
Objective 2.4: Cooperation with organizations specialized in financial awareness and inclusion						
Initiatives		2016	2017	2018	2019	2020
1	Open communication channels with the Alliance for Financial Inclusion (AFI)	•				
2	Conduct training programs in member countries jointly with the Arab, regional and international institutions		•	•		
3	Provide a database of the UASA members national strategies related to financial inclusion, as well as the most prominent international strategies and studies in this field		•	•	•	
3rd Pillar: Achieve harmony and consistency in regulations of the Union's Members						
Objective 3.1 Develop rules and guidelines for issuance and listing						
Initiatives		2016	2017	2018	2019	2020
1	Prepare a database of all pertinent legislations and regulations, and make it accessible to the Union's members	•	•			
2	Develop issuance and listing rules and principles for the Union's members			•	•	
3	Establish general rules on listing and trading of foreign institutions in the Arab capital markets			•		
4	Follow-up by the UASA Secretariat on the implementation of the rules and principles in the Member States, and report back to the Union's Board.				•	•



Objective 3.2 Develop reference guide on the rules and principles of corporate governance						
Initiatives		2016	2017	2018	2019	2020
1	Compile members' initiatives and make them available to all Union's members	•				
2	Establish general guidelines of corporate governance in line with international standards		•			
3	Follow up on implementation and respond to members' observations and inquiries			•	•	•
4	Hold practical training courses for employees of the Union's members on corporate governance reference guide: Implementation and compliance methods	•		•		•
Objective 3.3 Issue general rules for disclosure						
Initiatives		2016	2017	2018	2019	2020
1	Prepare a survey on disclosure rules in the Union members	•				
2	Establish general rules and requirements for the disclosure regulations based on best International standards and practices		•			
3	Hold training courses for the Union's members employees on disclosure			•		•
4	Follow up on the implementation of disclosure's rules and address members' observations and comments				•	•
Objective 3.4 Develop guidelines on Insider Trading						
Initiatives		2016	2017	2018	2019	2020
1	Prepare a database of all legislations and regulations related to insider trading in UASA members	•				
2	Issue general rules/models for insider trading in accordance with the best International standards and practices		•	•		
3	Organize awareness seminars on insider trading			•	•	•
4	Follow up on the implementation of the insider trading general rules and address members observations and queries				•	•



Objective 3.5 Develop guidelines to improve the professional level of companies and other entities working in the Arab capital markets						
Initiatives		2016	2017	2018	2019	2020
1	Compile the rules of licensing and registration and make them available to the Union's members	•	•			
2	Develop guidelines for the minimum requirements to be met by institutions to operate in the Arab capital markets		•	•		
3	Design and hold courses and workshops to cover best practices that licensed institutions should comply with		•	•		
4	Follow up on the implementation of these initiatives				•	•
4th Pillar: Capacity Building						
Objective 4.1 Capacity Building for the employees of the UASA members while focusing on risk management, enforcement and governance						
Initiatives		2016	2017	2018	2019	2020
1	Conduct a survey on the needs for technical assistance and identify local or international entities that have the required expertise to meet these needs	•	•			
2	Design training programs, including online training and workshops that cover important areas in capital markets, mainly enforcement, risk management and governance as well as other specialized programs in collaboration with relevant international institutions		•	•		
3	Hold these training programs and evaluate their effectiveness			•	•	•
4	Set rules for professional development leaves and secondment between members of the Union		•	•	•	•
5	Consolidate relations with IOSCO by conducting various activities related to the regulatory aspects of the capital markets	•	•	•	•	•
Objective 4.2 Develop Institutional Capacity of the Union's members						
Initiatives		2016	2017	2018	2019	2020
1	Identify and cooperate with the relevant authorities concerned with technology relevant to capital markets with the possibility of benefiting from special discount		•	•		
2	Exchange experiences that encourage the adoption of best practices and standards in capital markets		•	•	•	•
3	Develop guidelines for government entities on internal governance and risk management			•		



5th Pillar: Investors Education and Awareness						
Objective 5.1 Set up a web portal for the UASA, concerned with investors education and awareness						
Initiatives		2016	2017	2018	2019	2020
1	Hire a specialized company to design and build a web portal	•	•	•		
2	Collect and prepare the content of the web portal	•	•	•		
3	Launch the web portal			•		
Objective 5.2 Organize training courses related to investor education and awareness						
Initiatives		2016	2017	2018	2019	2020
1	Conduct a survey for the UASA members to determine the needs and available resources in member countries in the field of investor education and Awareness	•	•			
2	Hold specialized training programs on investor education and awareness	•	•	•	•	•
Objective 5.3 Cooperate with local and international regulatory bodies in the field of investor education and awareness						
Initiatives		2016	2017	2018	2019	2020
1	Ensure effective partnership with the regulators in the Union's members to form a team to manage investor education initiatives	•				
2	Organize seminars and training programs in cooperation with relevant international institutions such as IOSCO, International Forum for Investors' Education, International Network for Financial Education, a subsidiary of the Organization for Economic Co-operation and Development OECD			•	•	•
3	Review and evaluate				•	•

Annex II

The survey results on the UASA Strategic Plan 2016 – 2020



The survey results on the UASA Strategic Plan 2016 – 2020

Based on the decision of the UASA Board dated 22/06/2015 regarding the formation of a temporary committee to prepare a strategic plan for the UASA for the years 2016 - 2020, the committee has prepared a questionnaire in order to reveal the opinion of the UASA members on the achievements and objectives of the Union, as well as to identify the most prominent domestic and international challenges facing the Arab capital markets and the role of the Union in facing these challenges, in addition to setting a future path of the Union by setting future objectives and implementation mechanisms.

Within this framework, 13 members of the Union responded to the questionnaire and expressed their views, where the survey results were analyzed to identify the most important priorities, especially in the field of investor education and awareness, harmony and convergence of legislations and capacity building, as well as cooperation and communication among members. The following is a summary of the most important results of the survey:

Part 1: UASA Objectives, priorities and activities- Previous experience

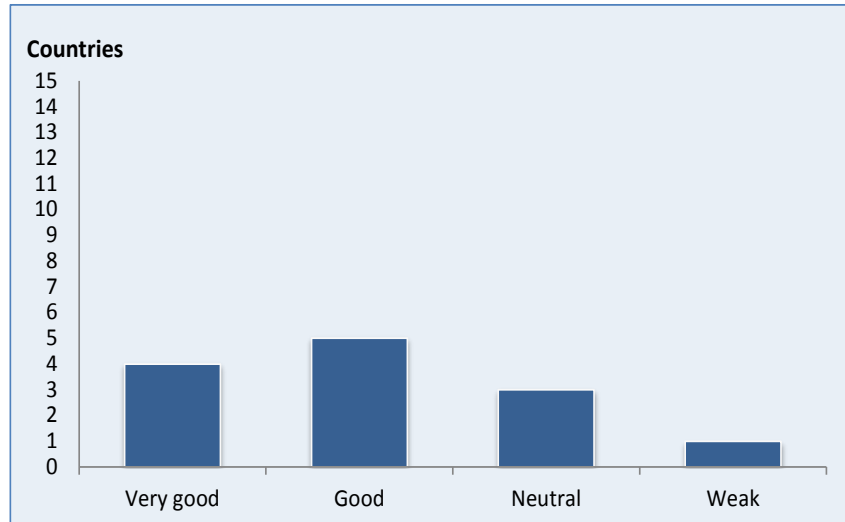
I. UASA Objectives, Priorities, and Activities: Previous Experience

(9) Members considered that the UASA performance towards achieving its objectives over the past years was good and could be better, particularly in joint cooperation and coordination on the transactions efficiency and integrity standards in the Arab financial markets to enhance their stability and increase the development of these markets by facilitating the investments and diversifying their tools. In addition to encouraging the cross listing and to strengthening the Arab Securities Markets independence as well as protecting and improving the companies operating in this field (chart 1).

Most of the Members pointed out the need to amend the UASA objectives to commensurate with the developments in global markets through revising and reducing them to four or five major objectives which could be achieved through a series of tasks. These objectives should reflect Members trends and address the challenges they are facing with the need to focus on promoting awareness and increasing financial inclusion, governance and capacity building.



Chart 1: Evaluation of the UASA performance toward achieving its objectives over the past years



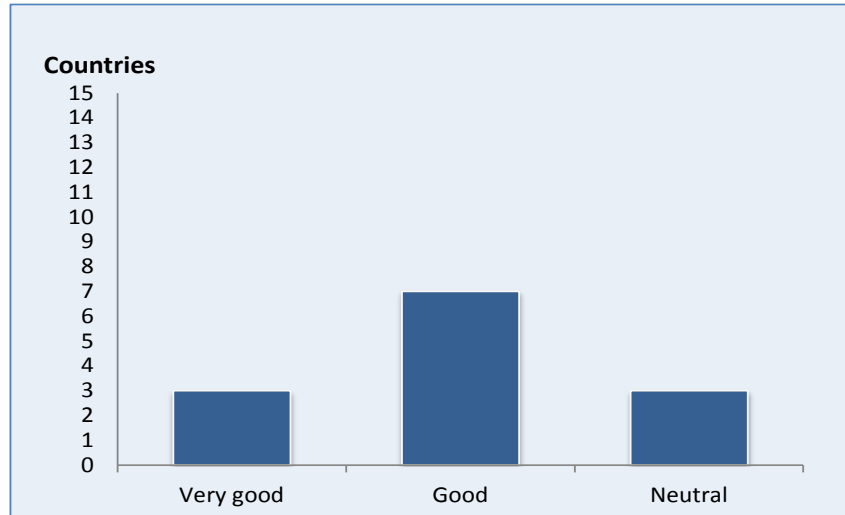
With respect to the UASA activities, 10-members considers that the Union performance toward required tasks was good and could be developed, especially those related to coordination in the field of organizing public offerings of securities, as well as encouraging the development of specialized financial services companies as to contribute in the dissemination of investment awareness among the Arab countries, in addition to establishing training centers to serve the UASA objectives.

Some members pointed out that there are a number of tasks that have not been completed yet, such as the development of the Arab Securities Authorities and enhancing their oversight, legislative and regulatory levels, to find contact channels between the members to achieve the Union objectives as well as coordination among members to achieve harmony and compatibility between applicable laws and regulations.

It is worth mentioning that many members Union emphasized on the amendment of the UASA tasks in order to increase its efficiency, particularly those related to the implementation of its objectives and its strategic plan. As well as adding specific tasks and developing the necessary tools related to capacity building and strengthening corporate governance, in addition to promoting financial inclusion by urging members to adopt national strategies for financial inclusion and benefit from the experiences of some members in this regard.



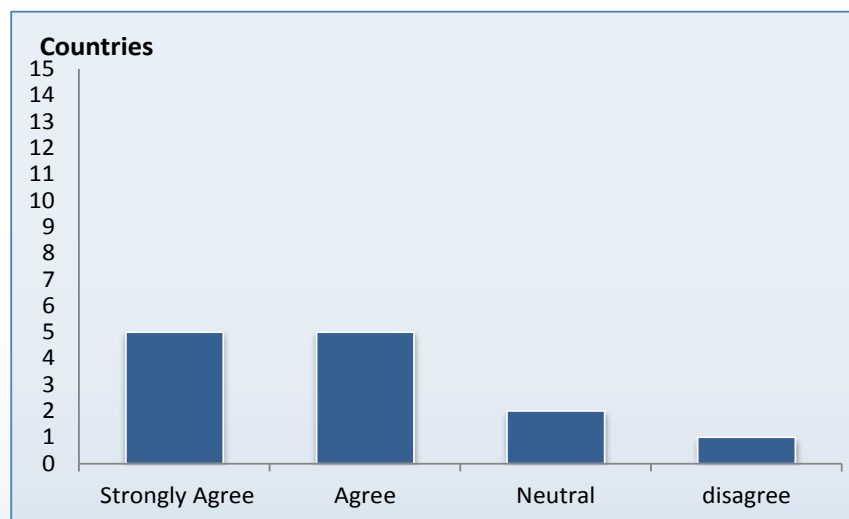
Chart 2: Evaluation of the UASA performance towards achieving its tasks over the past years



II. UASA Membership:

(11) of the UASA members believe that the membership classification (active, associate and observer members) meets the aspirations of the Union and contributes in achieving its strategic objectives. The results also show that 10 of the union members consider the necessity to broaden its membership base (figure 3) by encouraging the institutions associated with capital markets and specifically financial markets institutions (stock exchanges), depository and settlements centers to join the UASA as associate members, in addition to the Oversight and Regulatory Authorities regulating financial centers operating within the Free Zones, which contributes in expanding the membership base and improving the UASA performance.

Chart3: Possibility of expanding the UASA membership through the joining of the institutions associated with capital markets

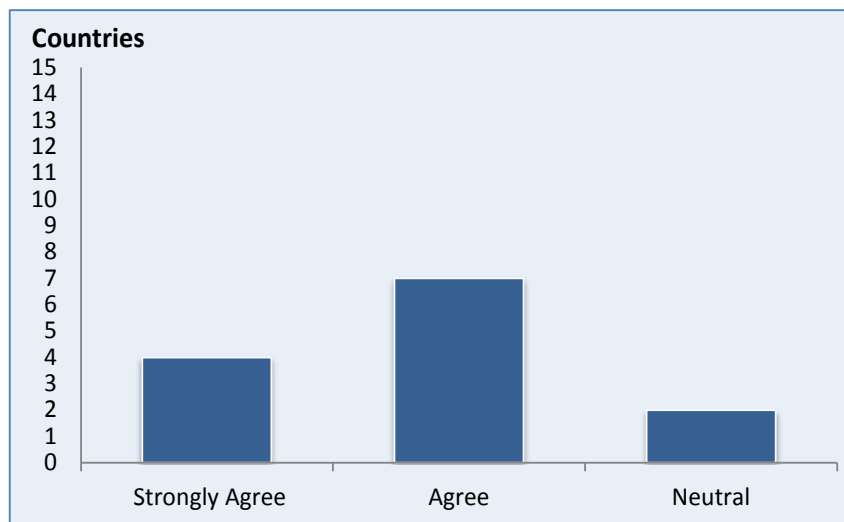




III. UASA Committees

The Union of Arab Securities Authorities Members emphasized on forming committees (temporary / permanent) to promote the members contribution in achieving the UASA strategic objectives by adopting a limited number of specialized committees to work on a specific objective for the UASA, and to form a permanent committee emanating from the UASA Board to develop and monitor the implementation of the strategic plans and programs of the Union. (See Chart 4).

Chart 4: Necessity to form committees (temporary / permanent) to promote the members contribution in achieving the UASA strategic objectives



Part 2: UASA Objectives, priorities and activities – Looking ahead

Most of the UASA members agreed about the challenges facing the Arab Securities Authorities over the next five years, where the Union has a significant role in facing them, the most important challenges are meeting the basic requirements to upgrade the Arab Securities Authorities in accordance with the best international principles, standards and practices, in addition to strengthening the regulatory and legislative capacities of the UASA members and raising the functional and technical personnel as well as the developing the awareness and facing the cyber-crimes risks.

UASA members emphasized also on training personnel to control and update the relevant capital market legislations, to apply the principles of corporate governance and oversight compliance. The challenges include also the promotion of cooperation and integration with other Regulatory Authorities, supporting the Arab Securities Authorities to join the International Organization of Securities Commissions IOSCO and to sign the MmoU (For non-members).

The Union members provided a set of proposals about the objectives that the UASA should consider and give priority in the implementation, the proposals focus on the following objectives (ranked in order of priority):



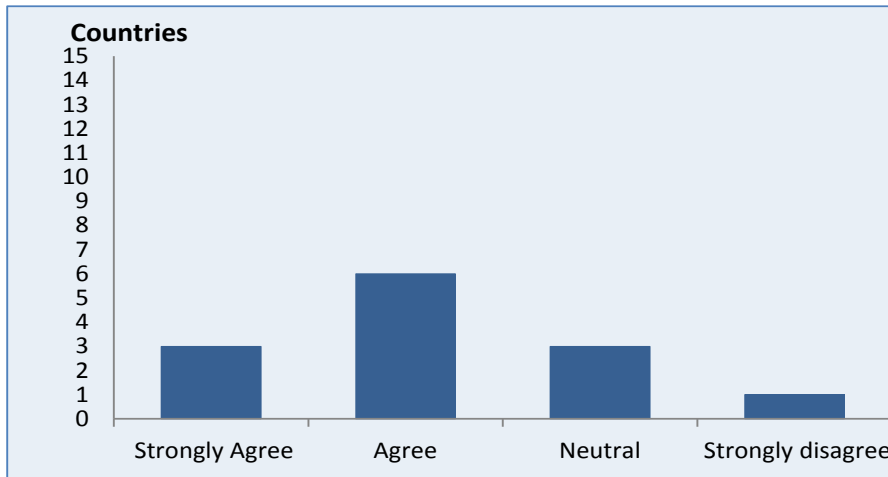
- a. Investors awareness and education
- b. Capacity building
- c. Cooperation and communication among the members
- d. Harmony and convergence of legislations
- e. Completion of the UASA institutional system
- f. Consolidating the Union standing in international organizations
- g. Enhancing the members added value
- h. Achieving strategic objectives
- i. Providing technical assistance to Arab countries in the field of securities market regulation and oversight.
- j. Application of the relevant international standards, including the IOSCO standards
- k. Improving the legislative and regulatory level of Arab capital markets in order to achieve fairness, efficiency and transparency.
- l. Exchange of information, technical assistance and expertise
- m. Improving the level of the companies operating in the securities field.
- n. Raising the corporate governance level of listed companies and investment funds
- o. Unified database
- p. Practical Training
- q. Participate in improving the judicial authorities organization in the Member Countries

Given the referred objectives, especially in the field of integration and convergence of legislation, the survey results indicate that the majority of Union members agree on the possibility of issuing general rules or principles for the Arab capital markets to cover the various legislative aspects, they can also issue rules and minimums binding on all members which could be a start point to prepare the executive regulations for each member, assigning the commitment follow up to the UASA Secretariat by submitting periodic reports to the Union Board.

The UASA can issue general standards for Arab countries in line with the IOSCO principles, and develop evaluation mechanisms for the rehabilitation through the implementation of technical interfaces and joint projects between Members in cooperation with specialized institutions such as the World Bank in order to compare regulatory frameworks and organizational aspects, identify gaps and develop plans and reforms in accordance with international standards.



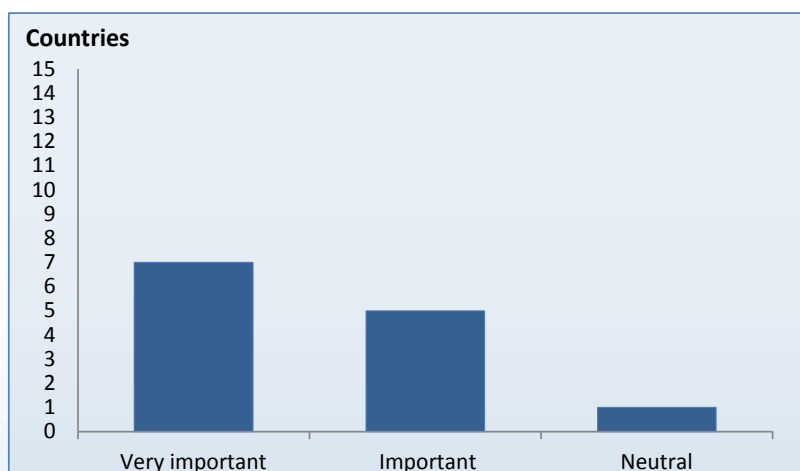
Chart 5: Achieving integration and cooperation between the Arab Securities Authorities in the field of legislation controlling Arab capital markets



With regards to the opening of Arab stock markets in the field of IPOs, (9) Authorities agreed this step, while some of the members suggested signing bilateral agreements in this field, and others suggested outlining the general principles only because IPOs are not depending from Securities Authorities only.

Concerning the Union role in knowledge transfer and training, most of the members agreed about the importance of the continuation of the Union in organizing practical training programs and its role in coordination with the competent institutions where it can plan and organize training programs that meet the requirements of Arab Securities authorities in cooperation with international institutions and bodies. Especially practical training programs among Members (On the job Training) and cooperation with international oversight bodies (SEC, FCA) with the necessity to determine the implementation cost of these programs and sources of funding, in addition to urging Members to development of measuring tools for the development and progress in the Corporate governance Scorecard, and take advantage from the previous experiences of other Members and specialized international institutions such as the IFC in this area.

Chart 6: The UASA role in the field of training at the level of Arab Securities Authorities





Part3: The implementation of the UASA strategic plan 2016 – 2020

The UASA members provided a set of proposals to achieve the objectives of its strategic plan, which can be summarized as follows:

1. Investor awareness:

- a. Issue journals related to this subject, such as: Guide on investing in the stock market, the importance of the portfolio diversity, dealing with brokerage firms in securities, investment funds, subscription rights...
- b. A website dedicated to awareness that takes into account the nature and culture of the Arab citizen in respect of the financial investment.
- c. The exchange of educational materials and workshops to educate investors.

2. Legislations coherence and convergence:

- a. The formation of a legal committee specializes in providing related consulting for standard indicative rules between the Members in the legislative and regulatory field as a prelude to be mandatory gradually (joint listing of securities among more than a financial market, disclosure and transparency, corporate governance, securities regulation...etc.).
- b. Development of national strategies for financial inclusion.
- c. Working on convergence and coherence between the Arab financial markets (rules of the securities joint listing among more than a financial market, facilitating the auditors and brokerage firms accreditation in multiple Arab financial markets).
- d. Development of the legal systems in the Arab financial markets to counter the development of the international financial markets challenges (to face risks and cyber-crimes, to improve data security in Arab financial markets, securities regulation).

3. Capacity building:

- a. Capacity building of the oversight authorities and institutions' employees, as well as the management of risks related to the financial markets.
- b. To take advantage of the members experiences in financial markets through enhancing joint cooperation with regard to the practical trainings.
- c. Provision of human and financial resources to the UASA.

4. Cooperation among Members:

- a. Cooperation among members through MoU.
- b. Organizing regular discussions session using phone calls, and discussing the capital increase in the Member States and international markets issues.
- c. Greater coordination to the League of Arab States and the adoption of the UASA policy and vision by governments.
- d. Active participation of the members in supporting the Union programs and activities.

5. Other Objectives:

- a. To update the functions and responsibilities to be compatible with the UASA objectives.
- b. Development of strategy for the Union that includes the objectives.



- c. To develop an action plan for the implementation of the strategic initiatives, and develop a mechanism to monitor its performance.
- d. Considering the adoption of approaching one Union of non-banking financial control entities in the Arab countries, there shall be one union that includes more than one Division (capital market, insurance, real estate financing, etc.) which reduces the cost and strengthens its role especially in light of the integration of financial services.

Part 4: Financing the Strategic Plan of the Union 2016 – 2020

The survey's results show the Members disapproval on the proposal of increasing the membership fees to finance the UASA strategic plan and their consensus on the necessity of a number of activities in order to provide the necessary financial resources to implement the strategic plan after determining the cost of implementation and the Board approval. The UASA members proposed to expand the Union membership base to strengthen its financial resources and reliance on institutional partnerships with stakeholders and holding specialized training courses for companies without commitments from members to participate. In addition to that, the members can finance some activities of the UASA (publications, studies, and activities generating income for the Union such as advertising through the UASA website, organizing paid training courses and programs with the members' commitment to participate).

Annex III

Survey on the UASA Strategic Plan 2016 – 2020



Survey on the UASA Strategic Plan 2016 – 2020

Introduction

This survey aims to solicit the views of the UASA Members concerning its the strategic plan in terms of the most important goals and actions to be achieve through this plan, within the framework of implementing UASA's Board decision on 22/06/2015 concerning the nomination a temporary committee to prepare a five-year strategic plan for the UASA 2016 - 2020. The temporary committee met on 10/09/2015 decided to send the attached survey to explore the UASA members view concerning the major goals to be achieved in the next five years. This survey specifically aims to:

1. Determine to which extent the UASA achieved its objectives and the role of its members in this regard.
2. Identify the most important domestic and international challenges facing UASA members and the UASA's role in facing these challenges.
3. Draw a future path for the UASA by setting future goals and its implementation, mechanisms and assessment of its performance and achievement.

To achieve the above mentioned objectives, UASA members are kindly asked to complete this survey either in English or Arabic and return it to the UASA's Secretariat info@uasa.ae before **08/10/2015**.

Organization name	
Name of respondent	
E-mail of respondent	
Phone number of respondent	
Date	



UASA Objectives, priorities and activities – previous experience

The main objectives of the UASA shall be as follows:

- 1) To upgrade the legislative and regulatory level of Arab securities markets with a view to achieving fairness, efficiency and transparency.
- 2) To unify the efforts towards achieving effective levels of control over transactions in the Arab securities markets.
- 3) To exchange information, technical assistance and expertise to support the development of the Arab securities markets and the development of effective regulatory statutes thereof.
- 4) To promote cooperation to achieve the highest levels of coordination on the efficiency and integrity standards of transactions, and ensure stability and development of the Arab securities markets.
- 5) To provide possible technical assistance to Arab countries in the field of securities market regulation and oversight.
- 6) To ensure coordination and cooperation among members to achieve maximum harmony and consistency with regard to relevant laws and regulations applicable in the Member States.
- 7) To cooperate with Arab and international organizations and associations concerned with the financial markets and to harmonize the members stands and views in these institutions.
- 8) To exert efforts to overcome difficulties facing investment in the Arab securities markets, and to expand its base, diversify its tools and promote the culture of investing in the Arab securities markets.
- 9) To promote the concepts of disclosure and transparency.
- 10) To promote the application of relevant international standards, including the standards of the International Organization of Securities Commissions (IOSCO).
- 11) To encourage common listing among the securities markets.
- 12) To promote the independence and protection of the regulators of the Arab securities market and protection of their active members.
- 13) To upgrade the level of professionalism of the companies operating in the area of securities.

1. How would you evaluate the performance of the UASA towards achieving these objectives over the past years?

- Very good
- Good
- Neutral
- Weak
- Very Weak

Comment _____

2. What do you think about amending the UASA objectives to commensurate with the developments in the international markets?

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Comment _____



UASA Tasks – previous experience

The UASA shall assume the following functions to achieve its objectives:

1. Seek the development of the business of the Arab securities markets authorities and promote their oversight, legislative and regulatory roles.
2. Establish channels of communication among the members to achieve the UASA objectives.
3. Coordinate among the members to establish the appropriate mechanism to achieve the highest degree of harmony and consistency among the applicable laws and regulations in the Arab securities markets.
4. Coordinate and cooperate in the areas of regulating the public offering of and trading in securities.
5. Develop the Arab securities markets and enhance the levels of efficiency and transparency.
6. Promote the establishment and development of companies of specialized financial services, including underwriters and marketing companies for new offerings.
7. Contribute to the dissemination of investment awareness among the citizens of the UASA member states.
8. Conduct regional and international seminars related to the functions of the UASA, either directly or in cooperation with international unions and organizations.
9. Publish newsletters and periodicals aimed at strengthening relationships between the members and to introduce the various activities and events of the UASA.
10. Work on standardizing the terminology used in the securities sector.
11. Establish training centers to serve the objectives of the UASA.
12. Any other functions as determined by the Board of the UASA.

3. How would you evaluate the performance of the UASA towards his tasks over the past years?

- Very good
- Good
- Neutral
- Weak
- Very Weak

Comment _____

4. What do you think about amending the UASA tasks to enhance its efficiency and implement its objectives and Strategic Plan?

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Comment _____



UASA Membership

UASA membership includes active members, associate members and observer members with the following rights of each category:

1. Active Members:

The active members shall have all the rights and obligations of membership including the membership of bodies and committees formed by the UASA and the right to vote, provided that each member state shall have one vote.

2. Associate Members:

The associate members shall have the following rights:

- a) Attend meetings held by the UASA and its committees and participate in the deliberations without the right to vote.
- b) Participate in committees formed by the Board of the UASA, as well as the right to participate in conferences and seminars organized by the UASA and access to all data and information published by the UASA.
- c) Form of a committee that handles coordination and cooperation with the Board after determining its functional mechanism by Board decision.

3. Observer Members:

The observer members shall Have the rights to participate in plenary sessions of the UASA, conferences and seminars and get all the data and information issued by the UASA.

5. Do you think that the current UASA membership classification as active, associate and observer members meet UASA goals and aspirations?

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Comment _____

6. Is it necessary to expand the UASA membership base by encouraging the institutions associated with capital markets and specifically financial markets institutions (stock exchanges), depository and settlements centers to join the UASA as associate members?

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Comment _____



UASA Committees

In 2014, the UASA Board conducted an amendment on the memorandum of association to regulate the establishment of an Executive Committee for the UASA as well as permanent and temporary committees. The Board may form an Executive Committee for the UASA. Functions, structure duration and its meetings shall be determined by a Board decision. The Board may form other permanent and ad hoc committees and the Board shall determine the terms of reference for each committee and shall appoint a chair thereof from its active members.

7. Do you think that there is a need to form committees (temporary / permanent) to promote the members contribution in achieving the UASA strategic objectives?

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Comment _____

UASA Objectives, priorities and activities – Looking ahead

8. What are the main challenges facing the Arab Securities Authorities during 2016 - 2020, where the UASA should have a role in facing these challenges?

	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
Agreeing on having compatibility and harmony between laws and legislation in Arab capital markets and thereby define the role of the UASA					
Developing a general framework for cooperation and coordination between members of the UASA regarding the use of legislation in Arab capital markets					
Strengthening the position of the Arab States in IOSCO through the coordination of the Member States to support this presence whether in the board of directors or the committees emanating from it					
Basic requirements to upgrade the work of the Arab regulatory authorities to meet the principles and standards of the best international practices					
Work to support the efforts of Arab Securities Authorities to join the IOSCO and signing the IOSCO multilateral memorandum to exchange information					
Facing poor liquidity in financial markets					
Developing awareness and education programs					



	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
Establishing a specialized institute to train the staff of the regulated institutions					
Facing insider trading					
Facing Cyber Crimes risks					
Cooperation and integration with other regulatory authorities					
Raising the functional and technical levels in the authority's staff					
Train staff with new regulatory skills					
Opening markets to foreign investments					
New financial instruments					
Enforce laws and regulations related to capital markets					
Updating legislation governing the capital market					
Applying governance principles and compliance					
Strengthening regulatory and legislative capacity of the Securities Authorities					

9. To what extent do you believe that integration and cooperation between the Arab Securities Authorities can be achieved in the field of legislation that controls Arab capital markets?

- Full unification of the rules and legislation in Arab capital markets
- Establishing a unified legislative zone for the Arab region
- Agreeing on indicative rules about the Arab capital markets
- Other, please specify _____

10. Do you think that it is possible during 2016 – 2020 to establish of a Common Regulatory Zone for Arab Capital Markets that are members of the UASA?

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Comment _____



11. Do you think that during the next phase 2016-2020 it would be sufficient to implement guidelines for various legislative aspects of Arab capital markets such as licensing, listing, exchange of information and others. Then Arab capital markets can consider moving to an advanced stage of cooperation?

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Comment _____

12. Do you think it's necessary during the next phase 2016-2020 to work on the development of minimum rules and standards that are obligatory to all members of the UASA. General Secretariat can follow up the members' commitment and compliance and submit periodic reports to the UASA Board. This includes aspects related to the listing, licensing, trading, enforcement, disclosure and other matters related to capital markets?

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Comment _____

13. What do you think of allowing licensed persons to work in other Arab markets that are members of the UASA without a license but using only the license granted by their countries?

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Comment _____

14. Do you think that during the next phase 2016-2020 can be laid foundations to open Arab capital markets to each other in the field of (IPO's)?

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Comment _____



15. Which of the following aspects has the priority in UASA strategic plan with regard to training and knowledge transfer?

- Practical training among the authorities (On the job training)
- Cooperation with Arab and international specialized training institutions
- Collaborating with international regulatory authorities (SEC, FCA)
- other, please specify

Comment _____

16. Do you think that the UASA can play a key role in the field of training at the level of Arab Securities Authorities combined?

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Comment _____

17. Do you find it appropriate to communicate with international institutions and regulatory authorities to hold training programs that meets the requirements of Arab Securities Authorities and be accredited by all UASA members?

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Comment _____

18. Do you find it useful that the UASA continue on holding practical training programs (On the job training) that aims to transfer knowledge among the Arab Securities Authorities?

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Comment _____



19. How do you see the following set out objectives? Do they represent important goals for the UASA members over the next five years?

	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
<p>Investor awareness: Oversight Authorities intensify their efforts to enhance investors awareness and to contribute in promoting financial inclusion.</p>					
<p>Legislations coherence and convergence: To maximize the legislative cohesion between UASA members and determining the appropriate form of cooperation between the UASA members in this field.</p>					
<p>Capacity building: Strengthening the role of the UASA in members capacity building taking advantage of the available capabilities in some members, regional and international institutions.</p>					
<p>Cooperation among Members: Enabling the UASA to play a vital role in enhancing the cooperation and coordination between its members in various fields, including harmonization of its stand toward issues related to capital markets.</p>					

20. What are the best measures and procedures to be taken to achieve these goals?

1. _____
2. _____
3. _____
4. _____

21. What are the most important (4) objectives to be achieved by the UASA over the next five years? (Ranked according to its importance)

1. _____
2. _____
3. _____
4. _____



22. The implementation of the UASA strategic plan 2016 - 2020 requires administrative and financial resources to enable the UASA to carry out its entrusted tasks. How do you think the UASA can provide the necessary resources to implement this plan?

	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
To increase the UASA membership fees					
To organize paid training courses and programs with Members participation commitment					
UASA members to fund some of the activities of the UASA (publications or studies or similar)					
To carry out income-generating activities such as advertising through the UASA's website					

23. Do you have any proposal to add related to UASA strategic plan for 2016 - 2020?

- _____
- _____
- _____
- _____

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